

Ujjivan Financial Services profit more than doubles in FY16

Focus on cost reduction helped boost profit: MD

OUR BUREAU

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Ujjivan Financial Services, a recently-listed microfinance company that also holds a small finance bank licence, posted a net profit of ₹177.21 crore in FY16, more than double the ₹75.78 crore it booked in FY15.

Announcing its first ever results on the bourses, the company said it had grown its operating income by 67.94

per cent to close FY16 at ₹1,027.61 crore.

Samit Ghosh, Managing Director and CEO, said, "The healthy growth in our business is mainly due to enhanced scale of operations and improved productivity of existing staff. Additionally, continuous focus on reducing costs helped us in reporting a 134 per cent growth in our net profit.

"This year we'll be focusing on transition from an MFI to an SFB (small finance bank) and building all the required blocks for the same.

"We are excited about our

recent investment in technology sourced from IT giants, for our proposed small finance banking operations."

The cost-to-income ratio of the company decreased to 50.99 per cent, from 60.36 per cent in FY15.

While gross non-performing assets (NPAs) rose 8 basis points (bps) to 0.15 per cent of the loan book, net NPAs went up by 2 bps to 0.04 per cent.

The company's return on equity was 18.3 per cent. The company's board has recommended a dividend of 50 paise on a face value of ₹10.